

106TH CONGRESS  
2D SESSION

# S. RES. 263

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (“OPEC”) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries, before the meeting of the OPEC nations in March 2000, the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2000

Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. SANTORUM, Mr. HUTCHINSON, Mr. SMITH of New Hampshire, and Mr. GRAMS) submitted the following resolution; which was referred to the Committee on Foreign Relations

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## RESOLUTION

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (“OPEC”) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries, before the meeting of the OPEC nations in March 2000, the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

Whereas the United States currently imports roughly 55 percent of its crude oil;

Whereas ensuring access to and stable prices for imported crude oil for the United States and major allies and trading partners of the United States is a continuing critical objective of United States foreign and economic policy for the foreseeable future;

Whereas the 11 countries that make up the Organization of Petroleum Exporting Countries (“OPEC”) produce 40 percent of the world’s crude oil and control 77 percent of proven reserves, including much of the spare production capacity;

Whereas beginning in March 1998, OPEC instituted 3 tiers of production cuts, which reduced production by 4,300,000 barrels per day and have resulted in dramatic increases in crude oil prices;

Whereas in August 1999, crude oil prices had reached \$21 per barrel and continued rising, exceeding \$25 per barrel by the end of 1999 and \$27 per barrel during the first week of February 2000;

Whereas crude oil prices in the United States rose \$14 per barrel during 1999, the equivalent of 33 cents per gallon;

Whereas the increase has translated into higher prices for gasoline and other refined petroleum products; in the case of gasoline, the increases in crude oil prices have resulted in a penny-for-penny passthrough of increases at the pump;

Whereas increases in the price of crude oil result in increases in prices paid by United States consumers for refined petroleum products, including home heating oil, gasoline, and diesel fuel; and

Whereas increases in the costs of refined petroleum products have a negative effect on many Americans, including the

elderly and individuals of low income (whose home heating oil costs have doubled in the last year), families who must pay higher prices at the gas station, farmers (already hurt by low commodity prices, trying to factor increased costs into their budgets in preparation for the growing season), truckers (who face an almost 10-year high in diesel fuel prices), and manufacturers and retailers (who must factor in increased production and transportation costs into the final price of their goods): Now, therefore, be it

1       *Resolved*, That it is the sense of the Senate that—

2           (1) the President should immediately commu-  
3       nicate to the members of the Organization of Petro-  
4       leum Exporting Countries (“OPEC”) cartel and  
5       non-OPEC countries that participate in the cartel of  
6       crude oil producing countries that—

7           (A) the United States seeks to maintain  
8       strong relations with crude oil producers around  
9       the world while promoting international efforts  
10      to remove barriers to energy trade and invest-  
11      ment and increased access for United States  
12      energy firms around the world;

13          (B) the United States believes that re-  
14      stricting supply in a market that is in demand  
15      of additional crude oil does serious damage to  
16      the efforts that OPEC members have made to  
17      demonstrate that they represent a reliable  
18      source of crude oil supply;

1 (C) the United States believes that stable  
2 crude oil prices and supplies are essential for  
3 strong economic growth throughout the world;  
4 and

5 (D) the United States seeks an immediate  
6 lifting of the OPEC crude oil production  
7 quotas;

8 (2) the President should review administrative  
9 policies that may put an undue burden on domestic  
10 crude oil producers, and should consider lifting un-  
11 necessary regulations that interfere with the ability  
12 of United States energy industries to supply a great-  
13 er percentage of the energy needs of the United  
14 States; and

15 (3) the Senate, when it considers the fiscal year  
16 2001 Federal budget, should appropriate sufficient  
17 funds for the development of alternative energy re-  
18 sources, including measures to increase the use of  
19 biofuels and other renewable resources, to reduce the  
20 dependence of the United States on foreign energy  
21 sources.

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